

MILITARY PERSONAL PROPERTY AND CLAIMS SYMPOSIUM

1 March 2000

Holiday Inn Hotel and Suites
625 First Street
Alexandria, VA

Military Chairperson

Ms. Phyllis Broz

Industry Chairperson

Mr. Bob Ewing

AGENDA

0830 hours - 0840 hours

Opening Comments

0840 hours - 1220 hours

Topics

TOPICS

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122	619 Forms and the DTR	American Moving and Storage Association United States Transportation Command
123	New 619	American Moving and Storage Association United States Transportation Command and Personal Property Systems Branch
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ITEM: 121

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: United States Transportation Command (USTRANSCOM)

SUBJECT: USTRANSCOM Participation in M/I Process

DISCUSSION: During the last M/I Symposium, the (USTRANSCOM) representative was asked about USTRANSCOM's use of the M/I Symposium forum to discuss issues relevant and important to both sides prior to release and implementation. The USTRANSCOM's representative indicated that USTRANSCOM viewed the M/I as a MTMC process that USTRANSCOM did not feel obligated to use. Rather, USTRANSCOM's communication with the Industry would be through the use of Federal Register Notices.

The title of our meeting is the Military/Industry Symposium, not the MTMC/Industry Symposium. A number of people on the Industry side have worked to ensure that these meetings are a place where meaningful dialogues on current and future policy and operational issues can be held. It's disappointing that USTRANSCOM doesn't see any value in this type of face-to-face dialogue and would rather depend upon a formal written process that allows little opportunity for any give and take.

As we have seen with the implementation of the revised DD Forms 619 and 619-1 as well as the revised LOI format, this formal written communication process does not provide for timely notice of their existence or that revisions are contemplated or have been approved.

RECOMMENDATION: DOD has encouraged the development of a partnership type relationship between the Industry Service Providers and the DOD customers. The Military/Industry Symposium provides a unique opportunity for these partners to discuss a wide variety of issues at varying points in time. Many of these issues do have real operational impacts even though they may be viewed as 'policy' issues.

Recommend that USTRANSCOM recognize the benefits of this unique opportunity and take advantage of this process to work more closely with its service providers.

ITEM: 122

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: United States Transportation Command

SUBJECT: 619 Forms and the DTR

DISCUSSION: At the last M/I, in September, the USTRANSCOM representative failed to notify the Industry that the DTR Part IV had been issued six weeks prior to the M/I, on August 2. The first indication that the DTR Part IV had been approved was provided in late October, with an official copy provided to the Associations in December. We further learned that the DTR included a new version of the 619 form, dated October 1998. No mention of the new 619 form was made to Industry at any point within the first year of the form's existence.

Efforts to revise the 619 were the subject of several M/I items and other meetings in the early 1990s, but our records indicate that these discussions ceased in 1993 when Ms. Vivian Washington, the original point of contact, was assigned other duties in a reorganization of MTMC. We were therefore completely surprised to learn that a different version of the form was finalized and published five years later. As an example, one of the suggestions being considered was to combine the two forms.

DOD often espouses the virtues of partnering with Industry. Partnership does require some communication, and this type of form that is used on a regular basis by the Industry should have some Industry input in its design. Furthermore, once a new form is adopted, DOD needs to let us know and provide an adequate lead time to eliminate stocks of the old version and print copies of the new one prior to implementation.

RECOMMENDATION: Military and Industry representatives should work together to determine whether the new version of the 619 and 619-1 will meet everyone's needs, including whether the forms should be combined. If the new version is determined to be superior, movers should be permitted to phase in usage of the form after exhausting their existing supplies. Some military bases are requiring agents to start using the form on April 1, 2000, or some other arbitrary date. They should be advised to work with agents to transition to whatever version makes the most sense. Finally, Industry should be advised if any other forms are being revised.

ITEM: 123

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: United States Transportation Command and
Personal Property Systems Branch

SUBJECT: New 619

DISCUSSION: There is no longer a 6 cube carton. It has been replaced with
an 8 cube carton. Why?

Also, on the SIT section there is a new block called “ordered
out” (13e). What is the purpose of this block?

If SIT delivery and re-weighs are supposed to be entered on the
619-1, why are they also listed on the 619?

RECOMMENDATION: MTMC should respond to the questions and explain how these
forms are to be used.

ITEM: 124

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: United States Transportation Command

SUBJECT: "Advance Shipping Notice" - Code J Test

DISCUSSION: The test of the Advance Shipping Notice on Code J Baggage was implemented in early November of 1999.

MTMC and USTRANSCOM have held meetings with a select group of carriers and port agents. Representatives of the Associations have also been involved in some of those same meetings.

Industry recognizes and supports the original objectives of the test to better predict the flow of baggage into the outbound aerial ports and the more efficient coordination of military airlift capabilities. However, the Industry is concerned that the objectives of the program have evolved to now dictate to the carriers that they meet a required or guaranteed delivery date of the cargo to the outbound aerial port. Should this be the case, it will cause many substantial changes to the carrier's traffic management procedure and greatly increase the costs of handling Code J.

RECOMMENDATION: MTMC/USTRANSCOM should schedule a detailed briefing on the "Advance Shipping Notice" test and provide an opportunity for all of Industry to attend.

Further, the objectives and any anticipated changes or enhancements to the test should be identified.

ITEM: 125

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: United States Transportation Command and
Carrier Qualification Performance Branch

SUBJECT: Letter of Intent Forms

DISCUSSION: Since the release of the new Defense Transportation Regulations (DTR), there has been considerable confusion on the part of the Industry and the transportation offices on the submission of Letters of Intent.

It appears that the DTR has incorporated an old version of the LOI without the changes/improvements that have been implemented since the last re-issue of the DTR (PPTMR.)

1. The new LOI Form requires the carrier to submit multiple forms indicating agent representation for domestic versus international and household goods versus baggage.
2. The new LOI form requires a telex number be submitted in Block 5.

RECOMMENDATION: USTRANSCOM and MTMC should review the new form and amend the DTR.

A message should be sent to Industry and the carriers identifying the proper form to be used and clarifying the LOI filing process.

Industry recommends that one form be allowed when a carrier is designating one agent to provide both services.

ITEM: 126

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Deputy Chief of Staff Passenger and Personal Property

SUBJECT: MTMC Move/Reorganization

DISCUSSION: With MTMC moving to a different location this spring and the recent reorganization of MTMC staff, it is important that Industry be advised of the status of key points of contact within MTMC.

RECOMMENDATION: MTMC should provide information on its new mailing address, and when different groups of staffers will be moved to the new building. If phone or fax numbers will change, that information should also be provided.

ITEM: 127

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: Storage and POV Branch

SUBJECT: Use of Adhesive Labels, Codes 2, 3, 4, 5 & T

DISCUSSION: Industry would like for MTMC to consider and approve the use of adhesive labels en lieu of the old outdated stenciling method on Type 2 boxes for the above referenced codes.

In today's computer age, labels can be easily printed direct from automated data bases. The use of labels is much more labor efficient and eliminates the possibility of information being corrupted in the stenciling process. Also, this change now better positions the Industry to more easily adopt bar coding practices in the future

RECOMMENDATION: Allow the use of adhesive labels instead of stenciling on Type 2 boxes.

ITEM: 128

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Domestic and International Rates Branch and
Carrier Qualifications and Performance Branch

SUBJECT: Combining AORs

DISCUSSION: Recently, MTMC announced that Wright Patterson AFB, OH would be absorbing the areas of responsibility of the former 88th TRNS offices in Cleveland and Indianapolis. This change was announced to be effective 5/1/00, because MTMC cannot change AORs in the middle of a rate cycle. MTMC solicited rates for all 3 areas for the current DW99 cycle. However, Wright Patterson AFB combined all 3 areas into one for TQAP purposes effective 9/20/99 without advising carriers that it was their intent to do so.

In addition, in combining the scores, they "averaged" averages together, meaning that a carrier which had shipments graded at 100 for one base and an administrative 90 at another base, got a 95 average for the new combined area. In other cases, there did not seem to be any mathematical rhyme or reason to how the scores were combined.

RECOMMENDATION: MTMC should always advise the Industry of the effective dates of these changeovers, which have a dramatic impact on expected bookings from a military installation, particularly if TQAP scores are combined. Furthermore, if MTMC advises of a consolidation date (in this case 5/1/00), they should not be allowed to change that date after rates have been solicited and TQAP scores have been determined for a given cycle. Carriers and their agents deserve to know about these changes in advance so that they can plan for them.

Additionally, proper procedures should be followed for combining TQAP scores.

It would also be easier for some carriers to be able to use different agents as the point of contact in each of the zones, rather than being forced to resubmit LOIs listing the same primary agent for all three zones.

ITEM: 129

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: Domestic and International Rates Branch and
Military Services

SUBJECT: Item 508 - Crating Rates, International Solicitation

DISCUSSION: This is an issue that will continue to arise until action or
acceptable justification for no action is provided to Industry.

There is no reason why crating rates in the International
Solicitation should not reflect the same or near those rates
allowed in the Domestic Program. The same material and
labor is utilized by the agents in both instances.

The cost of labor and, particularly, material continue to
increase, yet the rates do not.

The Domestic Personal Property Solicitation Item for crating of
mirrors, paintings, marble, etc., ranges from \$4.65 to \$6.90 per
cubic foot depending on the geographical area.

RECOMMENDATION: Industry requests that the rates for crating in the International
Solicitation be brought in line with the Domestic Solicitation.

We suggest that MTMC approve a rate of \$5.75 per cubic foot
(\$25.00 minimum) for internal crating and \$6.55 per cubic foot
(no minimum) for external crates.

ITEM: 130

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: Domestic and International Rates Branch

SUBJECT: Excess Distance/Long Carry

DISCUSSION: Excess distance and long carry charges should be addressed in the International Solicitation in addition to that currently provided for in the Mini-storage applications.

These items are provided for in the tariff and are recognized as acceptable commercial practice and chargeable items by the Industry's other national accounts which ship internationally.

RECOMMENDATION: Current Line Items for excess distances and long carries, as well as, relating rates allowed in the MTMC Domestic Solicitation should be incorporated into the ITGBL Solicitation.

ITEM: 131

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Domestic and International Rates Branch

SUBJECT: Increase Pickup and Delivery (P/D) Rates

DISCUSSION: In each of the other accessorial rate increases since 1983, MTMC has increased the P/D rates along with the other accessories. However, in 1999, P/D rates were not increased by 10%.

P/D rates generally compensate warehousemen who are making a delivery of a shipment out of storage at destination to residence. Since the rates are bid at origin, carriers do not discuss their rates with each possible destination agent, especially those in areas with few shipments. Thus the P/D service provider has no control over the linehaul percentage filed by the carrier. A periodic adjustment for inflationary costs is their only ability to continue to do business in an environment when their costs continue to rise each year. Unfortunately, the P/D rates have been frozen since 1995.

RECOMMENDATION: MTMC should make a fair and reasonable increase in the P/D rates of 10% at the earliest possible time.

ITEM: 132

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: Domestic and International Rates Branch and Operations Branch

SUBJECT: Shipment Re-weighs

DISCUSSION: The Industry can not understand why MTMC would have two different procedures and rates for handling the re-weigh of shipments. This dual policy makes it very confusing for the agents who perform the service on behalf of the carriers.

RECOMMENDATION: The ITGBL Solicitation should be amended to reflect the same rate (\$50.00 per Reweigh) in the Domestic Solicitation.

Further, the weight derived by the re-weigh should be the applicable rate weight.

ITEM: 133

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Carrier Qualification and Performance Branch and
Military Services

SUBJECT: No 'date signed' on the 1840

DISCUSSION: Recently, some shipments have been scored at 60 for the date
signed section on the 1840 not being filled out. These
shipments were placed into SIT prior to the RDD.

RECOMMENDATION: We request that a message be sent to all transportation offices
advising that the date a shipment delivers into SIT is the date
used to determine whether a carrier should be awarded points
for an on-time delivery and that the date the 1840 was signed is
not relevant in measuring on-time delivery. Also, we'd like to
point out that the lack of a date on an 1840 does not in any way
affect the damage, or lack of damage, that is listed on the 1840
as long as the 1840 has been signed by the property owner.

ITEM: 134

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Carrier Qualifications and Performance Branch

SUBJECT: Missed Pickups out of NTS

DISCUSSION: Some shipments have been scored for missing the pick up date when the shipment comes out of NTS at the carrier's own agent's warehouse. Specifically, if a shipment is in NTS and is booked with a code 1 interstate carrier where the NTS contractor is also serving as the origin agent for the carrier, the carrier should be able to instruct the agent to hold the shipment at that facility until linehaul equipment can be assigned. Since the origin location of the shipment is not the member's residence, they are not inconvenienced by this action as long as the delivery is made on time. However, the shipping office sometimes deems this a violation of the on-time pick up requirements because they were not notified and had not agreed to a pick up date change with the carrier and the NTS warehouseman.

The shipment remaining at the facility of the carrier's agent is simply a change in the status of the shipment from NTS to carrier 'pick and hold' and carrier liability as an interstate shipment rather than NTS. When the NTS warehouse is the same as the carrier's agent facility there isn't inconvenience to any party. The service member certainly is not affected, so the carrier shouldn't have 20 points deducted for missing the pick up. This is an internal procedure and doesn't warrant notification of the T.O. and shouldn't qualify as missing the pick up date.

RECOMMENDATION: We'd like to see MTMC advise TOs that the penalty for missing an on-time pick ups shouldn't apply when a shipment is taken from a carrier's agent's own NTS facility.

ITEM: 135

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Services and Operations Branch

SUBJECT: DSC Realignment

DISCUSSION: With limited advance notice to the Industry, MTMC transferred all personal property functions from the Deployment Support Command at Fort Eustis to HQMTMC. The DSC performed many useful operational functions that we hope will be continued at HQ.

As an example, during the recent snow storms on the East Coast, a number of military installations closed. This meant that there was no one available for emergency clearance of DOD shipments on the east coast. The Deployment Support Command had disbanded their personal property function, HQ HQMTMC was closed, RSMO Ft. Monmouth was closed, and so were most air force bases. Carriers tried to get some help from Atlanta RSMO, but because it was out of their area, they were obviously reluctant to provide support. Carriers need points of contact for these types of situations, along with alternates to use in case HQMTMC is also closed. The individual service members are the ones who suffer when we are unable to contact them to deliver a shipment.

RECOMMENDATION: MTMC should provide a list of contacts regarding who will be assuming the duties previously filled by DSC, including addresses, phone numbers, fax numbers, and email addresses. In addition, alternate emergency contacts should be provided in a different geographic location in case of weather problems (or other problems while HQMTMC is itself relocating, for example).

ITEM: 136

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Air Force

SUBJECT: Damage Noted on 1780 not 1840

DISCUSSION: At Wright-Patterson AFB, inspectors are noting damage on their 1780 reports at the time of delivery, but the 1840 and 1840R forms do not have damage noted. The carriers are then being graded for TQAP purposes on the 1780 damage rather than the 1840 information. Some of the dollar amounts noted are the “standard” of \$25.

RECOMMENDATION: Inspectors should be advised to point out damage to the service member and the carrier for them to note on the 1840 if deemed appropriate by the member, rather than noting damage directly on the 1780 if it is not reported using the proper 1840 form.

ITEM: 137

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Air Force

SUBJECT: Scoring Based on Phone Call

DISCUSSION: At Altus AFB, OK, the Quality Control (QC) section is calling the service member concerning damage and customer satisfaction (which in itself is a good practice), but is then using this phone call to score the shipment even if there is no paper documentation of any problems with the move.

While Industry supports efforts to revamp the TQAP system to make it more responsive to the service member's satisfaction, until the system is changed, all carriers need to be scored following the rules that exist. If QC determines through this phone call that there is loss or damage that was not noted on the 1840, they should encourage the service member to note it on an 1840R and then use that form for scoring purposes. This protects the service member's legal rights with respect to a possible claim, and it ensures that carriers have written documentation supporting their TQAP score.

RECOMMENDATION: Carriers should be scored in compliance with the existing TQAP rules.

ITEM: 138

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: Defense Finance and Accounting Services and
Personal Property Systems Branch

SUBJECT: DFAS-IN/Duplicate Request for GBL's

DISCUSSION: Over the past several months, DFAS-IN has contacted carriers and requested that they provide a second or duplicate copy of the GBL.

It is not unusual for a carrier to be sent a request to provide DFAS-IN with 50 or more GBLs at a time. This places considerable administrative burden on the carrier and he is coerced to compile with the request in order not to delay receipt of payment.

Apparently, some transportation offices overseas do not have the ability to transmit the GBL information directly to DFAS for match up with the carrier's invoice submission.

RECOMMENDATION: MTMC should consult with DFAS-IN to determine which overseas locations do not have the ability to transmit the GBL information.

Action should be taken to eliminate this burden from the carrier.

ITEM: 139

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Defense Finance and Accounting Services and
Military Services

SUBJECT: Navy Waivers Eliminated

DISCUSSION: DFAS-Norfolk advised Industry on November 19, 1999 that they would not accept any more SIT waivers effective December 1, 1999. This decision applies to Navy shipments. This was not sufficient notice of the change, especially with the Thanksgiving holiday week in the middle. Decisions such as this change have significant impacts on carriers' and agents' operations and should be given with sufficient lead time to plan for the change.

As we stated when DFAS-Indianapolis took a similar step, we oppose the blanket elimination of waivers. We believe that the military services and their customers realize the impact of the elimination of waivers on customer service, especially in the summer months, and are disappointed that DOD is letting the finance offices make this type of quality of life decision.

RECOMMENDATION: All of the DFAS offices should reverse their decisions on waivers.

DOD entities should make every effort to provide sufficient advance notice of major decisions that will have an impact on the moving and storage industry.

The Coast Guard and Marine Corps finance offices should indicate what their policies are regarding waivers, and if any change is expected to those policies.

ITEM: 140

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: Defense Finance and Accounting Services and
General Services Administration

SUBJECT: DFAS-IN/Document Retention for Audit and Archival

DISCUSSION: Industry has recently been advised that DFAS Indianapolis has changed/amended the process for the audit and retention of documentation submitted in support of billings on SF 1113s. The changes are to have been effective February 1, 2000.

There have been several messages in this regard which have led to confusion as to the full extent of the changes. One message indicates that the changes in procedure will eliminate the need for GSA to request documentation for post -payment auditing.

RECOMMENDATION: DFAS-IN should provide a briefing to Industry and the Military Services outlining in detail the changes and impact on the paper and EDI billing processes.

Confirmation should be sought from GSA as to the extent the changes will have on their audit processes, pre and post.

ITEM: 141

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Defense Finance and Accounting Services

SUBJECT: Payment to Agents when Carriers Cease Operations

DISCUSSION: The recent decision by A Olympic Forwarders and Emerald City International to cease operations has left numerous service providers stranded with significant sums of money owed to them. On the domestic side, Global Van Lines' filing for bankruptcy has caused similar problems. These situations have been made significantly worse by DFAS' refusal to accept waivers. In previous cases, warehousemen were able to bill the government directly for services rendered by them, rather than being forced to stand in line behind all other creditors for payment.

RECOMMENDATION: MTMC and DFAS need to work out a process for service providers to be paid when a DOD approved carrier that was originally tendered the shipment no longer is in business. If the carrier has not already been paid for storage charges, the warehouse should be permitted to bill for that storage and collect the money that is rightfully theirs.

ITEM: 142

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Defense Finance and Accounting Services

SUBJECT: EDI Invoicing

DISCUSSION: We are having some of our EDI invoices we send to DFAS-IN rejected because, according to DFAS-IN, the domestic transportation office is not online with TOPS and hasn't sent an electronic record of the GBL to their system. To our knowledge, all domestic installations were supposed to be online with TOPS. That capability was supposed to feed the information to DFAS-IN's system.

RECOMMENDATION: MTMC or DFAS-IN should provide Industry with a list of all installations, CONUS and OCONUS, that are not online with TOPS and whose shipments cannot be invoiced via EDI.

ITEM: 143

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Defense Finance and Accounting Services

SUBJECT: DFAS Setoffs

DISCUSSION: A number of carriers have just received a ton of setoffs all at once. Based on our research, it appears that it is because of DFAS processing the setoff requests in a large batch, rather than the services providing the information all at the same time.

Also, many of the offsets have no explanation. Just the letters GSA appear. About half are claims and half are unidentifiable.

RECOMMENDATION: DFAS should make an effort to space out offsets if they have a year or two worth of offsets to do. If two years' worth of claims are all offset at the same time in the middle of the winter slow season, the impact on carriers' revenue stream is dramatic.

ITEM: 144

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: Defense Finance and Accounting Services

SUBJECT: Alaska - EDI Shipments

DISCUSSION: Recently DFAS-IN unofficially advised that the carriers will be required to advise in their EDI billings whether Alaska shipments moved by Water versus Land and, if so, what is the Ocean Bill of Lading Number.

This change has never been discussed with the EDI Committee. Further, this requires a considerable and expensive re-write to the carrier's billing software programs.

RECOMMENDATION: DFAS-IN should inform the carriers officially of this change and work with Industry to determine if an easier method can be utilized to obtain the required information, and/or determine whether the information is that crucial to collect.

ITEM: 145

PROPONENT: Household Goods Forwarders Association

STAFF PROPONENT: Military Services

SUBJECT: Motorcycles - New Customs Regulations

DISCUSSION: Industry has recently been informed that the US Customs Service intends to begin random X-Rays of containers moving outbound through US Ports for motorcycles. It appears that Customs is now extending the Regulations implemented under Title IV of the "Anti Car Theft Act of 1997" to all used self-propelled vehicles (definition including motorcycles.)

Through experience the past year and a half, Industry is aware of the impact these Regulations have had on the exportation of privately owned vehicles; i.e. delays, missed vessels, seizures, lost documentation, etc.

Considering the high volume of motorcycles shipped with military personal effects, these new policies on the part of US Customs potentially will mean many of the same problems for military shipments as those encountered on commercial shipments.

RECOMMENDATION: If it has not already done so, MTMC/DOD should arrange with US Customs to be granted exemptions to these Regulations for motorcycles exported on behalf of Military Service Members moving under Military Orders.

ITEM: 146

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Claims Services

SUBJECT: Points of Contact at Claims Offices

DISCUSSION: The Base Claims Offices need to include their telephone and fax numbers on any and all correspondence directed to the van lines etc. I think you will find that all carriers do this. With area code changes and the normal changes of phone numbers at the base, it would make it easier for adjusters to call the claims offices and/ or fax information.

Also, it needs to be brought to the carriers' attention when claims offices are consolidated or moved to a different location so we can change our records and mail correspondence to the correct location.

RECOMMENDATION: The Military Claims Services should remind their local base claims offices to put their phone #'s and fax #'s on their letters, and should provide the associations with copies of any current directories of the field offices that the HQ's might have. If email addresses are available, they would also be very helpful, especially for overseas claims offices.

ITEM: 147

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Claims Services

SUBJECT: Conversion to NTS

DISCUSSION: Item 316 of the RSD-6 states, "When a shipment is not removed from SIT by the expiration of the 180th day, or at the end of the extended SIT period authorized by the PPSO, liability as a carrier shall terminate at midnight of the last day of the SIT period, the through GBL character of the shipment shall cease, the warehouse shall be considered the final destination point of the shipment, the warehouseman shall become agent for the shipper, and the shipment then becomes subject to the rules, regulations, charges and liability of the warehouseman."

This issue has been raised in the past, where the PPSO does not take any action to extend the SIT on a shipment on or before the 180th day, and no extension notice is provided to the carrier or its agent on or before the 180th day, but at some point well past the 180th day, the PPSO "declares" that SIT had been extended and produces a DD1857 prepared after the 180th day.

RECOMMENDATION: This retroactive authorization should not be allowed and the carrier and its agent should be entitled to know unequivocally what the nature is of shipments in storage and whether they are carrier liability or warehouseman liability. The PPSO should not be able to declare SIT "after the fact." DTR Part IV should be amended to specifically address the retroactive provision.

ITEM: 148

PROPONENT: American Moving and Storage Association

STAFF PROPONENT: Military Claims Services

SUBJECT: Liability on NTS Conversion

DISCUSSION: When SIT expires either at midnight on the 180th day or at the end of any properly extended SIT period or when the shipment converts to permanent storage at either member or government expense, DOHA has recently ruled (Settlement Decision 99092918) that the GBL carrier must have taken a rider against the warehouse at the time of SIT expiration. There is no such obligation in any of the regulations, the RSD-6 or the DTR. In fact, the SIT warehouse is the one who takes a rider against the carrier when the shipment is first placed into SIT. At the time of conversion, the carrier has already established the condition of the goods being converted to permanent storage by the original inventory and any rider taken at the time the goods were placed into SIT. This DOHA decision is in error procedurally.

RECOMMENDATION: We request that the claims services review the matter to acknowledge the warehouseman's legal liability as last handler as opposed to the carrier's liability.